QUARTERLY REPORT

LICENSEE ADAMAR OF NEW JERSEY
TROPICANA CASINO & RESORT

FOR THE QUARTER ENDED DEC 31 **,20** 02

TO THE
CASINO CONTROL COMMISSION
STATE OF NEW JERSEY

DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT

BALANCE SHEETS

AS OF DECEMBER 31, 2002 AND 2001

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		2002 (c)	2001 (d)
	ASSETS			
	Current Assets:			
1	Cash and Cash Equivalents		$ 21,036	$ 17,334
2	Short-Term Investments		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2002, $14,806 ; 2001, $17,716)		13,978	16,402
4	Inventories		3,258	3,257
5	Prepaid Expenses and Other Current Assets	(Note 5,8,10)	10,270	12,432
6	Total Current Assets		48,542	49,425
7	Investments, Advances, and Receivables	(Note 6,7,11,14)	19,253	25,839
8	Property and Equipment - Gross	(Note 2)	818,702	756,873
9	Less: Accumulated Depreciation and Amortization	(Note 2)	(236,124)	(212,684)
10	Property and Equipment - Net	(Note 2)	582,578	544,189
11	Other Assets	(Note 5,8)	12,940	10,415
12	Total Assets		$ 663,313	$ 629,868
	LIABILITIES AND EQUITY			
	Current Liabilities:			
13	Accounts Payable		$ 9,208	$ 11,523
14	Notes Payable		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates		0	0
16	Other	(Note 3,14)	127	703
17	Income Taxes Payable and Accrued		0	0
18	Other Accrued Expenses	(Note 12)	22,368	21,993
19	Other Current Liabilities	(Note 6)	10,969	5,922
20	Total Current Liabilities		42,672	40,141
	Long-Term Debt:			
21	Due to Affiliates	(Note 3,7,14)	447,000	448,041
22	Other	(Note 3,14)	200	409
23	Deferred Credits		0	0
24	Other Liabilities	(Note 7,13)	39,339	8,102
25	Commitments and Contingencies	(Note 6)	0	0
26	Total Liabilities		529,211	496,693
27	Stockholder's, Partners', or Proprietor's Equity	(Note 7)	134,102	133,175
28	Total Liabilities and Equity		$ 663,313	$ 629,868

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

Amended

6/30/03

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND 2001

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)	
	Revenue:			
1	Casino	$ 400,535	$ 409,114	
2	Rooms	47,836	46,194	
3	Food and Beverage	52,852	50,067	
4	Other	14,663	12,373	
5	Total Revenue	515,886	517,748	
6	Less: Promotional Allowances	92,830	92,352	*
7	Net Revenue	423,056	425,396	
	Costs and Expenses:			
8	Cost of Goods and Services (Note 4,7)	241,419	239,063	
9	Selling, General, and Administrative (Note 7)	60,620	60,857	*
10	Provision for Doubtful Accounts	2,386	3,198	
11	Total Costs and Expenses	304,425	303,118	
12	Gross Operating Profit	118,631	122,278	
13	Depreciation and Amortization (Note 2)	27,443	25,139	
	Charges from Affiliates Other than Interest:			
14	Management Fees (Note 7)	32,591	32,083	
15	Other	0	0	
16	Income (Loss) from Operations	58,597	65,056	
	Other Income (Expenses):			
17	Interest (Expense) - Affiliates (Note 3)	(53,849)	(54,771)	
18	Interest (Expense) - External (Note 3)	2,938	1,201	
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 6)	2,297	(1,465)	
20	Nonoperating Income (Expense) - Net. (Note 4,15)	(5,178)	(3,769)	
21	Total Other Income (Expenses)	(53,792)	(58,804)	
22	Income (Loss) Before Income Taxes and Extraordinary Items	4,805	6,252	
23	Provision (Credit) for Income Taxes (Note 8)	3,878	2,606	
24	Income (Loss) Before Extraordinary Items	927	3,646	
25	Extraordinary Items (Net of Income Taxes - 2002, $0 ; 2001, $0)	0	0	
26	Net Income (Loss)	$ 927	$ 3,646	

* Certain 2001 amounts have been reclassified to conform with 2002 presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

Amended

6/30/03

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2002 AND 2001

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	Revenue:		
1	Casino	$ 93,496	$ 97,902
2	Rooms	10,994	11,216
3	Food and Beverage	12,442	12,983
4	Other	3,594	3,031
5	Total Revenue	120,526	125,132
6	Less: Promotional Allowances	21,468	22,316 *
7	Net Revenue	99,058	102,816
	Costs and Expenses:		
8	Cost of Goods and Services (Note 4,7)	59,185	58,011
9	Selling, General, and Administrative... (Note 7)	14,200	15,534 *
10	Provision for Doubtful Accounts	486	941
11	Total Costs and Expenses	73,871	74,486
12	Gross Operating Profit	25,187	28,330
13	Depreciation and Amortization (Note 2)	6,752	6,425
	Charges from Affiliates Other than Interest:		
14	Management Fees (Note 7)	7,500	7,925
15	Other	0	0
16	Income (Loss) from Operations	10,935	13,980
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates (Note 3)	(13,439)	(14,325)
18	Interest (Expense) - External (Note 3)	1,134	461
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 6)	(101)	(353)
20	Nonoperating Income (Expense) - Net. (Note 4,15)	(1,056)	(1,115)
21	Total Other Income (Expenses)	(13,462)	(15,332)
22	Income (Loss) Before Income Taxes and Extraordinary Items	(2,527)	(1,352)
23	Provision (Credit) for Income Taxes.... (Note 8)	(1,929)	(1,704)
24	Income (Loss) Before Extraordinary Items	(598)	352
25	Extraordinary Items (Net of Income Taxes - 2002, $0 ; 2001, $0)	0	0
26	Net Income (Loss)	$ (598)	$ 352

* Certain 2001 amounts have been reclassified to conform with 2002 presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADE NAME OF LICENSEE TROPICANA CASINO AND RESORT

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2002

(UNAUDITED)
($ IN THOUSAND)

Line (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholder's Equity (Deficit) (j)
1	**Balance, December 31, 2000**	100	$ 1	0	$ 0	$ 127,071	$ 0	$ 2,457	$ 129,529
2	Net Income (Loss) - 2001							3,646	3,646
3	Contribution to Paid-in-Capital								
4	Dividends								
5	Prior Period Adjustments								
6									
7									
8									
9									
10	**Balance, December 31, 2001**	100	$ 1	0	$ 0	$ 127,071	$ 0	$ 6,103	$ 133,175
11	Net Income (Loss) - 2002							927	927
12	Contribution to Paid-in -Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	**Balance, December 31, 2002**	100	$ 1	0	$ 0	$ 127,071	$ 0	$ 7,030	$ 134,102

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND 2001

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)	
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 57,551	$ 36,612	
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investment Securities			
3	Proceeds from the Sale of Short-Term Investment Securities			
4	Cash Outflows for Property and Equipment	(61,764)	(33,650)	*
5	Proceeds from Disposition of Property and Equipment	177	74	
6	Purchase of Casino Reinvestment Obligations	(5,075)	(5,179)	
7	Purchase of Other Investments and Loans/Advances made	0	(2,295)	
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables	14,389	1,857	
9	Cash Outflows to Acquire Business Entities			
10				
11				
12	Net Cash Provided (Used) By Investing Activities	(52,273)	(39,193)	
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Cash Proceeds from Issuance of Short-Term Debt			
14	Payments to Settle Short-Term Debt			
15	Cash Proceeds from Issuance of Long-Term Debt			
16	Costs of Issuing Debt			
17	Payments to Settle Long-Term Debt	(1,576)	(753)	
18	Cash Proceeds from Issuing Stock or Capital Contributions			
19	Purchases of Treasury Stock			
20	Payments of Dividends or Capital Withdrawals			
21				
22				
23	Net Cash Provided (Used) By Financing Activities	(1,576)	(753)	
24	Net Increase (Decrease) in Cash and Cash Equivalents	3,702	(3,334)	
25	Cash and Cash Equivalents at Beginning of Period	17,334	20,668	
26	Cash and Cash Equivalents at End of Period	$ 21,036	$ 17,334	

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized)	$ 36,503	$ 59,012
28	Income Taxes	$	$

* Certain 2001 amounts have been reclassified to conform with 2002 presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND 2001

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)	
	NET CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)	$ 927	$ 3,646	
	Noncash Items Included in Income and Cash Items Excluded from Income:			
30	Depreciation and Amortization of Property and Equipment	27,198	24,812	
31	Amortization of Other Assets	245	327	
32	Amortization of Debt Discount or Premium	(66)	0	
33	Deferred Income Taxes - Current	1,156	(2,534)	
34	Deferred Income Taxes - Noncurrent	(1,701)	4,734	
35	(Gain) Loss on Disposition of Property and Equipment	1,091	118	
36	(Gain) Loss on Casino Reinvestment Obligations	(2,662)	1,301	
37	(Gain) Loss from Other Investment Activities			
38	Net (Increase) Decrease in Receivables and Patrons' Checks	2,424	696	
39	Net (Increase) Decrease in Inventories	(1)	61	
40	Net (Increase) Decrease in Other Current Assets	1,006	1,976	
41	Net (Increase) Decrease in Other Assets	(1,069)	(969)	
42	Net Increase (Decrease) in Accounts Payable	(2,315)	3,505	
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	81	1,700	*
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	31,237	(2,761)	
45	Extraordinary items (net of tax)			
46				
47	Net Cash Provided (Used) By Operating Activities	$ 57,551	$ 36,612	

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

LINE	DESCRIPTION	2002	2001	
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment	$ (61,764)	$ (33,729)	*
49	Less: Capital Lease Obligations Incurred	0	79	
50	Cash Outflows for Property and Equipment	$ (61,764)	$ (33,650)	
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired	$ 0	$ 0	
52	Goodwill Acquired	0	0	
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment	0	0	
54	Long-Term Debt Assumed	0	0	
55	Issuance of Stock or Capital Invested	0	0	
56	Cash Outflows to Acquire Business Entities	$ 0	$ 0	
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions	$ 0	$ 0	
58	Less: Issuances to Settle Long-Term Debt	0	0	
59	Consideration in Acquisition of Business Entities	0	0	
60	Cash Proceeds from Issuing Stock or Capital Contributions	$ 0	$ 0	

* Certain 2001 amounts have been reclassified to conform with 2002 presentation.

Capital Lease Obligations of $0 and $79 were incurred for 2002 and 2001, respectively.
Capital lease obligation retirements of $250 and $0 were incurred for 2002 and 2001, respectively.

In 2001, the Company incurred an intercompany payable in exchange for assets from the parent company in the amount of $2,189.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	308,153	$ 23,698	185	$ 37
2	Food	2,447,467	23,985	8,562	84
3	Beverage	7,625,090	9,370	0	0
4	Travel	0	0	15,269	5,344
5	Bus Program Cash	734,428	10,739	0	0
6	Other Cash Complimentaries	1,158,813	20,525	0	0
7	Entertainment	99,293	264	59,663	1,193
8	Retail & Non-Cash Gifts	0	0	89,691	897
9	Parking	0	0	0	0
10	Other	943,410	4,249	325,626	1,328
11	Total	13,316,654	$ 92,830	498,996	$ 8,883

** There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.

FOR THE THREE MONTHS ENDED DECEMBER 31, 2002

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	70,142	$ 5,473	185	$ 37
2	Food	530,061	5,194	2,526	25
3	Beverage	1,892,681	2,303	0	0
4	Travel	0	0	3,100	1,085
5	Bus Program Cash	155,225	2,426	0	0
6	Other Cash Complimentaries	320,952	4,777	0	0
7	Entertainment	19,444	70	18,972	379
8	Retail & Non-Cash Gifts	0	0	29,624	296
9	Parking	0	0	0	0
10	Other	348,130	1,225	122,392	316
11	Total	3,336,635	$ 21,468	176,799	$ 2,138

** There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.

ADAMAR OF NEW JERSEY, INC.
DBA TROPICANA CASINO AND RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements include the accounts of Adamar of New Jersey, Inc. (the "Company") and its wholly-owned subsidiary, Manchester Mall, Inc., ("Manchester"), after elimination of all significant intercompany accounts and transactions.

The Company operates a casino hotel in Atlantic City, New Jersey and is a subsidiary of Ramada New Jersey Holdings Corporation ("RNJHC") which is, in turn, a wholly-owned subsidiary of Aztar Corporation ("Aztar"). The financial statements reflect the intercompany transactions and accounts with RNJHC, Aztar and affiliates.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In August 2001, the Financial Accounting Standards Board issued Statement No. 143, "Accounting for Obligations Associated with the Retirement of Long-Lived Assets". The objectives of SFAS 143 are to establish accounting standards for the recognition and measurement of an asset retirement obligation and its associated asset retirement cost. SFAS 143 is effective for fiscal years beginning after June 15, 2002. Based upon a preliminary review, the Company has no asset retirement obligation at December 31, 2002.

In the first quarter of 2001, the Emerging Issues Task Force ("EITF") reached a consensus on certain issues in EITF 00-22 "Accounting for Points and Certain Other Time-Based or Volume-Based Sales Incentive Offers, and Offers for Free Products or Services to Be Delivered in the Future", which addresses the income statement classification of the value of the points redeemable for cash awarded under point programs. Per the consensus, the cost of these programs should be reported as a contra-revenue, rather than as an expense.

EITF 00-14 "Accounting for Certain Sales Incentives", which is effective January 1, 2002, focuses on the accounting for, and presentation of, discounts, coupons, and rebates. EITF 00-14 requires that cash or equivalent amounts provided or returned to customers as part of a single exchange transaction should not be shown as an expense but should be an offset to the related revenue.

Beginning September 30, 2002, the Casino Control Commission has required these classifications be made and accordingly, we have restated the comparable 2001 periods.

Cash and Cash Equivalents

Highly liquid debt instruments purchased with a maturity of three months or less that are not being held pending reinvestment in capital projects are classified as cash and cash equivalents. These instruments are stated at cost, which approximates fair value because of their short maturity.

Inventories

Inventories, which consist primarily of food, beverage, uniforms and operating supplies are stated at the lower of cost or market. Cost has been determined using the average cost method.

Advertising Costs

Costs for advertising are expensed as incurred, except costs for direct-response advertising, which are capitalized and amortized over the period of the related program. Direct-response advertising costs consist primarily of mailing costs associated with direct-mail programs. Capitalized advertising costs included in prepaid expenses were immaterial at December 31, 2002 and 2001. Advertising costs that were expensed during the year were $7,190,000 in 2002 and $8,107,000 in 2001.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentration of credit risk consist principally of temporary cash investments in excess of $100,000 which are all invested in the same financial institution.

Property and equipment

Property and equipment are stated at historical cost. Maintenance and repairs are charged to operations when incurred. Renewals and betterments which significantly extend the useful lives of existing property and equipment are capitalized. During construction the Company capitalizes interest and other direct and indirect development costs. Interest is capitalized monthly by applying the effective interest rate on certain borrowings to the average balance of expenditures. Gains or losses on dispositions of property and equipment are reflected in earnings as realized.

Depreciation is computed on the straight-line basis over the estimated useful lives (building and improvements - 3 to 40 years; equipment, furniture and fixtures - 3 to 15 years).

Leasehold improvements are amortized over the lower of the estimated useful life of the improvement or the term of the related lease.

CRDA Investment

The Company is required to invest one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The CRDA bonds are classified as held-to maturity securities and are carried at amortized cost. The average interest rate on the CRDA investment was 2.2% and 3.1% for 2002 and 2001, respectively.

New Jersey Gaming License Costs

Gaming license costs are capitalized and amortized over the renewal period. Amortization expense for gaming license costs for 2002 and 2001 was $412,000 and $420,000, respectively.

Casino Revenue

Casino revenue consists of the net win from gaming activities, which is the difference between gaming wins and losses. For the year ended December 31, 2002, the total casino revenue was $400,535,000 which is comprised of $121,980,000 for games revenue and $278,555,000 for slot revenue. For the year ended December 31, 2001, the total casino revenue was $409,114,000 which is comprised of $128,092,000 for games revenue and $281,022,000 for slot revenue. Estimated payouts for progressive slot machine balances are recorded as liabilities in the accompanying financial statements.

Complimentaries

The retail value of complimentary food, beverage, and hotel services furnished to customers is included in gross revenues and then deducted as promotional allowances in arriving at net revenue.

Income taxes

Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or income tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted rates expected to apply to taxable income in the years in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

NOTE 2. PROPERTY AND EQUIPMENT

At December 31, 2002 and 2001, the components of property and equipment consisted of:

	2002	2001
Land and land improvements	$ 49,974,000	$ 51,283,000
Building and improvements	566,843,000	558,317,000
Furniture, fixtures and equipment	134,262,000	124,595,000
Leased personal property	2,254,000	5,138,000
Construction in progress	65,369,000	17,540,000
Total property and equipment-gross	818,702,000	756,873,000
Less accumulated depreciation and amortization	(236,124,000)	(212,684,000)
Total property and equipment	$582,578,000	$544,189,000

Depreciation expense relating to property and equipment amounted to $27,198,000 and $24,812,000 for the years ended December 31, 2002 and 2001, respectively. Capitalized interest for the years ended December 31, 2002 and December 31, 2001 was $3,004,000 and $1,326,000, respectively.

NOTE 3. LONG-TERM DEBT

At December 31, 2002 and 2001, Long-Term Debt consisted of:

	2002	2001
Notes Payable - Aztar Corporation; 12.0% due 2004	$447,000,000	$448,041,000
Long-term debt due to affiliates	447,000,000	448,041,000
Obligations under capital leases	327,000	1,112,000
Total Affiliates and Other	447,327,000	449,153,000
Less: current portion	(127,000)	(703,000)
Total long-term debt	$447,200,000	$448,450,000

The aggregate fixed maturities for all long-term debt are:

2003	$ 127,000
2004	447,143,000
2005	41,000
2006	16,000
Total	$ 447,327,000

NOTE 4. LEASE OBLIGATIONS

The Company entered into an agreement with Adamar Garage Corporation ("AGC"), an affiliate of the Company, for the lease of the Transportation Center (a 1,100-space self-park garage and a 9-bay bus terminal) and a 1,100-space parking garage along with the land, all improvements and air rights. The rental amount is $4,700,000 per year and will expire on February 4, 2078.

Minimum future lease obligations on noncancelable leases at December 31, 2002 are as follows:

YEAR	OPERATING
2003	$ 6,174,000
2004	6,153,000
2005	5,468,000
2006	5,201,000
2007	5,108,000
Thereafter	329,476,000
Total	$ 357,580,000

Rental expenses under operating leases for 2002 and 2001 amounted to $7,471,000 and $7,437,000, respectively.

NOTE 5. DEFERRED CREDITS

Deferred credits consist of income taxes due to timing differences between financial and taxable income.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission. The license is renewable every four years. The license renewal period is effective through November 30, 2003. Management has received no indication that future renewals will not be granted.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position, results of operations or cash flows.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the CRDA or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The CRDA bonds have various contractual maturities that range from 12 to 45 years. Actual maturities may differ from contractual maturities because of prepayment rights. The Company's reinvestment obligation for 2002 and 2001, respectively, was $5,075,000 and $5,179,000 for the purchase of CRDA bonds. In 2002 the Company recorded a loss provision of $607,000, offset by a gain of $3,269,000 resulting from the return of its CRDA deposits. In 2001 the Company recorded a loss provision of $1,301,000. The loss provision is to recognize the effect of the below market interest rate the bonds would have borne had they been issued on December 31, 2002.

The CRDA has issued bonds that are being serviced by its parking fee revenue. A series of these bonds are collateralized by a portion, $448,000 at December 31, 2002, of the Company's CRDA deposits. The portion that serves as collateral is a varying percentage of a portion of CRDA deposits that satisfy the Company's investment obligation based upon its New Jersey casino revenues. In the event that the CRDA's parking fees are insufficient to service its bonds, these deposits are used to service these bonds, and the Company would receive credit against future investment obligations. The Company's CRDA deposits serve as collateral for a one-year period after which, they become available for eligible investments. This arrangement continues through 2013. The Company received a fee that is being amortized on a straight line basis through 2013. The Company's estimate of the maximum potential deposits that could be used to service CRDA bonds is $22,000,000 at December 31, 2002.

In May 1996, the Company completed construction on an expansion project. The expansion consisted primarily of a new 604-room hotel tower, with additional restaurant and support facilities in the existing operation. The Company has executed a credit agreement with the CRDA for approximately $24,500,000 in funding for this project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. As of December 31, 2002, the Company received approximately $24,200,000 in funding from the CRDA under this agreement. At December 31, 2002, the Company had approximately $300,000 in available deposits with the CRDA that qualified and accordingly was reclassified to accounts receivable. The balance of funding will be realized from portions of future CRDA deposits.

In April 2002, the Company commenced construction on a major expansion project. The expansion will consist primarily of a retail, dining and entertainment complex along with a 502-room convention hotel tower. The Company has an agreement with the CRDA for approximately $20,100,000 in funding in connection with this expansion project. As of December 31, 2002, the Company has received approximately $13,400,000 in funding from the CRDA under this agreement. At December 31, 2002 the Company had approximately $1,000,000 in available deposits with the CRDA that qualified and accordingly was reclassified to accounts receivable.

At December 31, 2002, the Company had commitments of approximately $147,000,000 for the Atlantic City Tropicana expansion project.

NOTE 7. RELATED PARTIES

Transactions with affiliates consist of expenditures by affiliates on the Company's behalf including purchases of assets, facility rental, and administrative expenses or cash advances to affiliates or other receivables from affiliates. The Company has many significant transactions with Aztar.

Aztar performs various corporate services for the Company. For the years ended December 31, 2002 and 2001, Aztar charged the Company a management fee of $32,591,000 and $32,083,000, respectively.

Due to affiliates are reflected in Other Liabilities. The identity of the affiliate and corresponding balances at December 31, 2002 and 2001 are:

	2002	2001
Due to Aztar Corporation	$ 23,862,000	$ -
Due to Tropicana West	-	-
Due to Ramada New Jersey, Inc.	200,000	126,000
Due to Adamar Garage Corporation	12,563,000	7,863,000
Due to Atlantic Deauville, Inc.	183,000	113,000
	$ 36,808,000	$ 8,102,000

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at December 31, 2002 and 2001 are:

	2002	2001
Due from Aztar Corporation	$ -	$ 433,000
Advances to Tropicana West	1,833,000	1,862,000
	$ 1,833,000	$ 2,295,000

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at December 31, 2002 and 2001 are:

PAYEE	2002	2001
Aztar Corporation	$447,000,000	$448,041,000

For the twelve months ended December 31, 2002 and 2001 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	2002	2001
COST OF GOODS AND SERVICES		
Executive deferred compensation plan	$ 5,000	$ 6,000
Property insurance	1,615,000	723,000
	1,620,000	729,000
SELLING, GENERAL AND ADMINISTRATIVE		
Insurance	357,000	334,000
Executive deferred compensation plan	22,000	25,000
Claims	100,000	18,000
Professional Services	3,000	7,000
	482,000	384,000
Total	$ 2,102,000	$ 1,113,000

NOTE 8. INCOME TAXES

The provision/(benefit) for income taxes is comprised of:

	2002	2001
Current:		
Federal	$ -	$ -
State	4,423,000	406,000
	4,423,000	406,000
Deferred:		
Federal	(1,275,000)	3,153,000)
State	730,000	(953,000)
	(545,000)	2,200,000)
	$ 3,878,000	$ 2,606,000

For income tax purposes, the Company is included in Aztar's consolidated corporate federal income tax return. The Company uses a separate return method for purposes of allocating the consolidated tax provision.

In 2002, the Company settled the remaining issue with the Internal Revenue Service ("IRS") related to the examination of the Company's income tax returns for the years 1992 and 1993. The issue involved the deductibility of certain complimentaries provided to customers. The settlement resulted in a tax benefit of $699,000. The IRS is examining the Company's income tax returns for 1994 through 1999 and has settled for all but the same issue. The Company has estimated and provided for income taxes in accordance with the IRS position. It is reasonably possible that this issue for 1994 through 1999 could be favorably settled in the near term. The New Jersey Division of Taxation is examining the New Jersey income tax returns for the years 1995 through 1998. Management believes that adequate provision for income taxes has been made in the financial statements. Included in the due to affiliates at December 31, 2002 is $4,423,000 of current taxes payable.

General business credits are taken as a reduction of the provision for income taxes during the year such credits become available. The following table provides a reconciliation between amounts determined by applying the statutory federal income tax rate to pretax income and the provision/(benefit) for income taxes:

	2002	2001
Provision at statutory rate	$ 1,682,000	$ 2,188,000
Increase/(decrease) in tax resulting from:		
State income taxes, net	3,274,000	(356,000)
Change in valuation allowance	-	908,000
Nondeductible business expenses	483,000	324,000
IRS examination	(1,033,000)	-
General business credits	(152,000)	(233,000)
Non qualified stock options	(359,000)	(210,000)
Other	(17,000)	(15,000)
	$ 3,878,000	$ 2,606,000

The income tax effects of loss carryforwards, tax credit carryforwards and temporary differences between financial and income tax reporting that give rise to the deferred income tax assets and liabilities at December 31, 2002 and 2001, are as follows:

	2002	2001
Net operating loss carryforward	$ 22,790,000	$ 18,291,000
Accrued liabilities	8,123,000	7,938,000
General business credits	4,306,000	4,072,000
Accrued bad debt expense	6,048,000	7,237,000
Accrued compensation	1,833,000	1,882,000
Gross deferred tax assets	43,100,000	39,420,000
Deferred tax asset valuation allowance	(908,000)	(908,000)
Depreciation and amortization	(21,053,000)	(18,085,000)
Other	(4,998,000)	(4,831,000)
Gross deferred tax liabilities	(26,051,000)	(22,916,000)
Net deferred tax assets	$ 16,141,000	$ 15,596,000

Gross deferred tax assets are reduced by a valuation allowance. The beginning-of-year valuation allowance was decreased during 2001 which caused a decrease in income tax expense of $747,000. Realization of the remaining net deferred tax asset at December 31, 2002 is dependent on generating sufficient taxable income prior to expiration of the net operating loss and general business credit carryforwards. Although realization is not assured, management believes it is more likely than not that all of the net deferred tax asset will be realized. The amount of the net deferred tax asset considered realizable, however, could change in the near term if estimates of future taxable income during the carryforward period are changed.

At December 31, 2002, tax benefits are available for federal income tax purposes as follows:

Net operating losses	$ 64,686,000
General business credits	4,306,000

These tax benefits will expire in the years 2003 through 2022 if not used. The Company also has net operating loss carryforwards for state income tax purposes that will expire in the following years if not used:

2005	$ 1,949,000
2006	620,000

NOTE 9. RETIREMENT PLANS

The Company has a defined contribution plan that covers substantially all employees who are not covered by a collective bargaining unit. The plan allows employees, at their discretion, to make contributions of their before-tax earnings to the plan up to an annual maximum amount. The Company matches 50% of the employee contributions that are based on up to 6% in 2002 and in 2001 of an employee's before-tax earnings. Compensation expense in 2002 and 2001, respectively, with regard to Company matching contributions was $1,465,000 and $1,423,000.

Aztar's Employee Stock Ownership Plan ("ESOP") covered substantially all non-union employees. In 2001, the ESOP was merged into the Aztar Corporation 401(k) Plan ("401(k) Plan") and the assets of the ESOP were subsequently transferred to the 401(k) Plan. Beginning January 1, 2001, the ESOP Stock was held by the Aztar Corporation 401(k) Plan Stock and Insurance Trust.

The Company makes contributions based on hours worked, as specified in five union agreements, to union administered, multiemployer, defined contribution pension plans. Contributions to these plans during 2002 and 2001 amounted to $2,399,000 and $2,065,000, respectively.

NOTE 10. PREPAID EXPENSES AND OTHER CURRENT ASSETS

At December 31, 2002 and 2001, Prepaid Expenses and Other Current Assets consisted of the following:

	2002	2001
Current deferred taxes	$ 9,466,000	$ 10,622,000
Other	804,000	1,810,000
Total	$ 10,270,000	$ 12,432,000

NOTE 11. INVESTMENTS, ADVANCES, AND RECEIVABLES

At December 31, 2002 and 2001, Investments, Advances, and Receivables consisted of the following:

	2002	2001
Due from affiliates	$ 1,833,000	$ 2,295,000
CRDA investments	17,420,000	23,544,000
Total	$ 19,253,000	$ 25,839,000

NOTE 12. OTHER ACCRUED EXPENSES

At December 31, 2002 and 2001, Other Accrued Expenses consisted of the following:

	2002	2001
Accrued payroll taxes and benefits	$ 13,302,000	$ 12,521,000
Accrued progressive slot win	994,000	938,000
Accrued claims reserve	782,000	780,000
Other	7,290,000	7,754,000
Total	$ 22,368,000	$ 21,993,000

NOTE 13. OTHER LIABILITIES

At December 31, 2002 and 2001, Other Liabilities consisted of the following:

	2002	2001
Due to affiliates	$ 36,808,000	$ 8,102,000
Other long-term liabilities	2,531,000	-
Total	$ 39,339,000	$ 8,102,000

NOTE 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents (in thousands) the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 2002 and 2001, respectively. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

	2002		2001	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets				
Investments	$ 17,420	$ 17,420	$ 23,544	$ 23,544
Liabilities				
Current portion of long-term debt	127	127	703	703
Current portion of long-term liabilities	252	252	-	-
Long-term debt other	200	200	409	409
Other long-term liabilities	2,531	2,531	-	-
Long-term debt due to affiliates	447,000	447,000	448,041	448,041

The carrying amounts shown in the table are included in the Consolidated Balance Sheets under the indicated captions. All the Company's financial instruments are held or issued for purposes other than trading.

The following notes summarize the major methods and assumptions used in estimating the fair values of financial instruments.

Investments consisted of direct investments, deposits with the CRDA and CRDA bonds that bear interest at two-thirds of market rates resulting in a fair value lower than cost. The carrying amounts of these investments, deposits and bonds are presented net of a valuation allowance or an unamortized discount that result in an approximation of fair values.

The fair value of the Company's CRDA bond guarantee is estimated to be the same as the unamortized carrying amount of the guarantee premium.

The amounts reported for advances from affiliates relate to the Company's notes payable to Aztar. The fair value was estimated based on the quoted market price for a similar issue.

NOTE 15. NON-OPERATING INCOME/(EXPENSE)

For the period ending December 31, 2002 and 2001, Non-operating Income/(Expense) consisted of the following:

	2002	2001
Interest income	$ 758,000	$ 1,194,000
Loss on dispositions	(1,091,000)	(118,000)
Rent expense	(4,845,000)	(4,845,000)
Total	$ (5,178,000)	$ (3,769,000)

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Signature

Controller

005939-11
License Number

On Behalf of:

Tropicana Casino & Resort
Casino Licensee

CCC-249

SCHEDULE OF RECEIVABLES AND PATRON'S CHECKS

LICENSEE ADAMAR OF NEW JERSEY, INC.
TROPICANA CASINO & RESORT

FOR THE QUARTER ENDED DEC.. 31 **,20** 02

TO THE
CASINO CONTROL COMMISSION
STATE OF NEW JERSEY

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT

SCHEDULE OF RECEIVABLES
PATRONS' CHECKS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002

(UNAUDITED)
($ in Thousands)

ACCOUNT RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks	$4,903		
2	Returned Patrons' Checks	18,634		
3	Total Patrons' Checks	23,537	($12,649)	$10,888
4	Hotel Receivables	3,055	(2,157)	898
	Other Receivables:			
5	Receivables Due from Officers and Employees	6		
6	Receivables Due from Affiliates	0		
7	Other Accounts and Notes Receivables	2,186		
8	Total Other Recievables	2,192		2,192
9	Totals (Form CCC - 205)	$28,784	($14,806)	$13,978

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$6,667
11	Counter Checks Issued (Excluding Counter Checks Issued Through Transactions Relating to Consolidations, Partial Redemptions, Substitutions, and Patrons' Cash Deposits)	180,716
12	Checks Redeemed Prior to Deposit (Excluding the Unredeemed Portion of Counter Checks Redeemed Through Partial Redemptions, and Excluding Checks Redeemed Through Transactions Relating to Consolidations, Substitutions, and Patrons' Cash Deposits)	(126,580)
13	Checks Collected Through Deposits	(48,087)
14	Checks Transferred to Returned Checks	(7,813)
15	Other Adjustments	
16	Ending Balance	$4,903
17	"Hold" Checks Included in Undeposited Balance on Line 16	$0
18	Provision for Uncollectable Patrons' Checks	$1,615
19	Provision as a Percent of Counter Checks Issued	0.9%

Under penalties of perjury, I declare that I have examined this Schedule of Receivables and Patrons' Checks and to the best of my knowledge and belief, it is true and complete.

March 26, 2003
Date

Signature

Controller
Title of Officer

CCC - 340

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE ADAMAR OF NEW JERSEY, INC.
TROPICANA CASINO & RESORT

FOR THE QUARTER ENDED DEC.31 **,20** 02

TO THE
CASINO CONTROL COMMISSION
STATE OF NEW JERSEY

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2002
($ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, (c)	SALARIES AND WAGES Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO				
1	Administration	17			
2	Gaming	1,145			
3	Slots	253			
4	Casino Accounting	378			
5	Simulcasting	12			
6	Other				
7	Total - Casino	1,805	$34,983.0		$34,983.0
8	ROOMS	435	9,144.6		9,144.6
9	FOOD AND BEVERAGE	1,090	19,118.8		19,118.8
10	OTHER OPERATED DEPARTMENTS				
11	Communications	21	400.2		400.2
12	Retail Shops	13	221.5		221.5
13	Transportation	153	2,485.0		2,485.0
14	Hotel Sales	10	604.4		604.4
15	Data Processing	24	1,260.1		1,260.1
16					0.0
17					0.0
18					0.0
19					0.0
	ADMINISTRATIVE AND GENERAL				
20	Executive office	18	1,692.5		1,692.5
21	Accounting and auditing	120	2,422.6		2,422.6
22	Security	231	5,356.0		5,356.0
23	Other administrative and general departments	69	2,201.3		2,201.3
*** 24	MARKETING	238	9,986.2		9,986.2
25	GUEST ENTERTAINMENT	197	2,307.0		2,307.0
26	PROPERTY OPERATION AND MAINTENANCE	315	8,990.9		8,990.9
27	TOTALS - ALL DEPARTMENTS	4,739	101,174.1		$101,174.1

*** Marketing includes Casino and Retail Marketing

TRADING NAME OF LICENSEE ADAMAR OF NEW JERSEY, INC. d/b/a TROPICANA CASINO & RESORT

ANNUAL EMPLOYMENT AND PAYROLL REPORT SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 2002

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, it is true and complete.

[illegible signature]
Signature

March 27, 2003
Date

CONTROLLER
Title

Amended

3/27/03

TRADING NAME OF LICENSEE: Tropicana Casino and Resort

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2002
($ in Thousands)

Line			
	CASINO WIN:		
1.	Table and Other Games Win		$ 120,596
2.	Slot Machines Win		$ 286,322
3.	Total Win		$ 406,918
	Less - Adjustment for Uncollectible Patrons' Checks:		
4.	Provision for Uncollectible Patrons' Checks	$ 1,615	
5.	Maximum Adjustment (4% of line 3)	$ 16,277	
6.	Adjustment (the lesser of line 4 or line 5)		$ 1,615
7.	Gross Revenue (line 3 less line 6)		$ 405,303
8.	Tax on Gross Revenue - Reporting Year (8% of line 7)		$ 32,424
9.	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years		$ 27
10.	Total Taxes on Gross Revenue (the sum of lines 8 and 9)		$ 32,451
11.	Total Deposits Made for Tax on Reporting Year's Gross Revenue		$ (32,424)
	Settlement of Prior Years' Tax on Gross Revenue		
12.	Resulting from Audit or Other Adjustments - (Deposits) Credits		$ (27)
13.	Gross Revenue Taxes Payable (the net of lines 10, 11 and 12)		$ 0

Under penalties of perjury, I declare that I have examined this Gross Revenue Annual Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

3/25/03
Date

Signature

Donna L Hogan
Casino Controller